

UĞURAS KIYMETLİ MADENLER SANAYİ VE DIŞ TİCARET A.Ş.

SANCTIONS COMPLIANCE PROCEDURE

Contents

1. Purpose.....	2
2. Scope	2
This procedure applies to:.....	2
3. Legal Basis of the Sanctions Compliance Procedure.....	2
A. National Legislation.....	2
B. International Regulations.....	3
C. Sector-Specific Regulations	4
4. Sanctions Sources.....	4
5. Transactions Subject to Sanctions Screening.....	5
6. Sanctions Screening Process	5
6.1. Identity and Title Screening	5
6.2. Infrastructure and System Utilization	5
7. Match Management.....	5
7.1. Confirmed (Positive) Match	5
7.2. Potential (False-Positive) Match	6
8. Circumstances Requiring Transaction Suspension.....	6
9. Internal Audit.....	6
9.1. Duties of the Internal Auditor	6
10. Record Retention.....	7
11. Training.....	7
12. Breach and Sanctions	7

1. Purpose

The purpose of this procedure is to ensure that **Uğuras Kıymetli Madenler Sanayi ve Dış Ticaret A.Ş. (“Uğuras”)**, in all of its activities, achieves full compliance with:

- The Law No. 5549 dated 11/10/2006 on the Prevention of Laundering of Proceeds of Crime, The Law No. 6415 dated 07/02/2013 on the Prevention of the Financing of Terrorism, The Law No. 7262 on the Prevention of the Financing of the Proliferation of Weapons of Mass Destruction, together with all sanctions regulations of the Republic of Türkiye;

- United Nations Security Council resolutions;
- European Union sanctions lists;
- U.S. OFAC sanctions lists (**including SDN, SSI, NS-MBS, and similar lists**);
- Financial Action Task Force (FATF) recommendations.

This procedure aims to proactively identify sanctions-related risks and to prevent any sanctions violations across the Company’s operations.

2. Scope

This procedure applies to:

- Domestic and international stakeholders;
- Suppliers;
- Refineries;
- Correspondent banks;
- Logistics and transportation companies;
- Company employees;
- All third parties involved in precious metals trading.

3. Legal Basis of the Sanctions Compliance Procedure

A. National Legislation

1. Law No. 6415 on the Prevention of the Financing of Terrorism

- Regulates the transposition and implementation of UN Security Council (UNSC) sanctions decisions into Turkish domestic law.
- Provides for asset freezing, transaction restrictions, and related obligations with respect to listed persons and entities.

2. Law No. 5549 on the Prevention of Laundering of Proceeds of Crime

- Includes obligations relating to customer identification, suspicious transaction reporting, record retention, and the establishment of a compliance program.
- Integrates sanctions screening as an integral component of AML/KYC processes.

3. MASAK Regulations and Communiqués

- Regulation on Measures Regarding the Prevention of Laundering of Proceeds of Crime and the Financing of Terrorism;
- Regulation on the Deferral of Transactions within the Scope of the Prevention of Laundering of Proceeds of Crime and the Financing of Terrorism;
- Regulation on Compliance Programs Regarding Obligations for the Prevention of Laundering of Proceeds of Crime and the Financing of Terrorism;
- Provisions governing customer monitoring, risk-based controls, and suspicious transaction reporting;
- MASAK General Communiqué No. 5 (Simplified measures under the customer due diligence principle);
- MASAK General Communiqué No. 7 (Procedures and principles regarding customer due diligence);
- MASAK General Communiqué No. 12 (Freezing of assets related to the financing of terrorism);
- MASAK General Communiqué No. 13 (Procedures and principles for suspicious transaction reporting);
- MASAK General Communiqué No. 19 (Procedures and principles for remote customer identification);
- General Communiqué on the Reporting of Suspicious Transactions Related to the Financing of Terrorism.

4. Decree No. 32 on the Protection of the Value of the Turkish Currency and related Communiqués

5. Capital Markets Law No. 6362 and Capital Markets Board (CMB) Regulations

6. Law No. 4483 on the Prosecution of Civil Servants and Other Public Officials

- Contains provisions limiting bribery and misconduct risks in transactions involving public officials.

B. International Regulations

1. United Nations Security Council (UNSC) Sanctions Resolutions

Scope includes:

- Terrorism and terrorist financing;
- Nuclear proliferation;
- Arms embargoes;
- Financial restrictions.

These resolutions are implemented pursuant to Law No. 6415.

2. FATF (Financial Action Task Force) Recommendations

3. European Union Sanctions

- While not directly binding on Türkiye, compliance is required due to Uğuras's relationships with EU-based correspondent banks, refineries, and commercial counterparties.

4. U.S. OFAC Sanctions (SDN, SSI Lists)

- Considered a high-risk sanctions regime due to exposure to the U.S. financial system, USD transactions, correspondent banking relationships, global refineries, and logistics companies.

- Transactions involving OFAC-sanctioned parties may give rise to secondary sanctions risk.

5. UK HMT – Office of Financial Sanctions Implementation (OFSI) Sanctions

- Sanctions lists that must be monitored due to UK-linked financial transactions.

6. European Banking Authority (EBA) and Basel Committee Guidance

- Provide sanctions-screening and risk-based AML control principles for intermediary institutions working with global financial institutions.

C. Sector-Specific Regulations

1. Precious Metals Exchange / Borsa Istanbul Precious Metals Market Regulations

- Full compliance with market rules and internal directives (comprising approximately 410 articles and continuously evolving to align with international markets).

2. Ministry of Treasury and Finance / Precious Metals Market Communiqués

- Full compliance with regulations restructured in 2020 in line with OECD criteria.

3. Customs Legislation – Law No. 5607 on Anti-Smuggling

- Full compliance within the scope of the Company's Authorized Economic Operator (AEO / YYS) accreditation.

4. Full compliance with Central Bank systemic risk data-reporting requirements

4. Sanctions Sources

The Company is obliged to conduct regular screening against the following sanctions lists:

- Prior to each transaction, Company personnel must verify whether the customer appears on the asset-freezing lists published on the MASAK website pursuant to Cabinet Decisions and Presidential Decrees;

- Bulletins regularly published by the Capital Markets Board;

- UN Security Council Consolidated Sanctions List;

- EU Consolidated Sanctions List;

- U.S. OFAC SDN List;

- OFAC SSI, CAPTA, NS-MBS supplementary lists (particularly relevant for banking relationships);

- Republic of Türkiye Ministry of Treasury and Finance sanctions and restriction decisions applicable domestically.

5. Transactions Subject to Sanctions Screening

Sanctions screening is conducted prior to each of the following:

- Establishment of a new customer relationship (during customer identification);
- Each new transaction;
- Precious metals import and export transactions;
- Supplier and refinery agreements;
- Agreements with correspondent institutions;
- Payment, transfer, and collection transactions;
- Changes in beneficial ownership.

6. Sanctions Screening Process

6.1. Identity and Title Screening

The following information is comprehensively screened:

- Customer's full name / legal entity name
- Trade registry records
- Beneficial owner(s)
- Members of the board of directors and authorized signatories
- Shareholding structure
- Group companies, if any

6.2. Infrastructure and System Utilization

Uğuras is required to conduct sanctions screening **prior to each transaction** by querying the customer through the following systems and sources:

- MASAK continuously updated prohibited and sanctions lists;
- MASTER system;
- Corporate sanctions screening software (blacklist databases);
- Advanced AML/Sanctions monitoring interfaces;
- Current external list providers.

All information obtained regarding the nature and substance of the transaction is promptly forwarded to the **Compliance Unit** for assessment within the scope of **Suspicious Transaction Reporting (STR)**.

7. Match Management

Where screening performed by Company personnel results in a name or list match:

7.1. Confirmed (Positive) Match

- The transaction is immediately suspended.
- All commercial relationships with the customer or counterparty are terminated.
- Notifications are made to the competent authorities in accordance with legal requirements (including MASAK and relevant regulatory bodies).

7.2. Potential (False-Positive) Match

- A detailed review is conducted by the Compliance Officer.
- Identity verification and document comparison are performed.
- Cross-checks are carried out using multiple independent data sources.
- The outcome is documented and reported to the Board of Directors.

8. Circumstances Requiring Transaction Suspension

No transaction may be executed if any of the following conditions exist:

- The person or entity is listed on sanctions lists;
- The counterparty is directly or indirectly linked to listed persons;
- Transfers involve sanctioned or high-risk jurisdictions;
- The goods or country are subject to embargoes;
- The origin of the precious metals is unclear or unverifiable;
- A Politically Exposed Person (PEP) is involved in a suspicious transaction;
- The customer's country of origin is included on the FATF grey or black list and adequate information is not provided.

9. Internal Audit

The purpose of internal audit is to provide assurance to the Board of Directors regarding the effectiveness and adequacy of the overall compliance program. Internal audit activities relating to the prevention of money laundering, terrorist financing, and proliferation financing are carried out by the Internal Auditor.

The Internal Auditor determines the scope of these audits in consultation with the Compliance Officer and is authorized to access all information and documentation permitted by law within the Company.

9.1. Duties of the Internal Auditor

9.1.1. To audit, using a Risk-Based Approach, whether institutional policies and procedures, risk management, monitoring and control mechanisms, and training activities are adequate and effective.

9.1.2. To assess the effectiveness and sufficiency of the Company's risk policy using a Risk-Based Approach.

9.1.3. To verify, using a Risk-Based Approach, whether transactions are conducted in compliance with applicable laws, regulations, communiqués, and internal policies and procedures.

9.1.4. To report identified deficiencies, errors, and misconduct, along with recommendations to prevent recurrence, to the Compliance Officer and the Board of Directors within each calendar year.

10. Record Retention

Sanctions screening results and all related documentation are required to be retained:

- For eight (8) years pursuant to MASAK regulations;
- For ten (10) years pursuant to the provisions of the Turkish Commercial Code.

In addition to these statutory requirements, in accordance with the Company's internal policies and procedures, such records are:

- Retained for a minimum period of ten (10) years;
- Stored in secure, access-controlled environments;
- Preserved in a manner that ensures data integrity and prevents any subsequent alteration or unauthorized modification.

11. Training

All employees receive sanctions compliance training at least twice (2) per year.

In parallel with updates to regulations, directives, and guidelines applicable to our evolving market environment, continuous and dynamic training programs are conducted. These programs are supported by on-site operational orientations to ensure practical implementation and sustained awareness across all business units.

12. Breach and Sanctions

In the event of a sanctions compliance breach:

- Employment contracts may be terminated for just cause in respect of the employee involved;
- All commercial relationships with the relevant third party shall be immediately terminated;
- Notifications shall be made to the competent authorities, where required by law (including MASAK and other regulatory bodies);
- Undetected or unreported breaches may give rise to criminal and administrative liability under applicable legislation.

This Procedure has been prepared under the supervision of the Company's Compliance Officer and Legal Counsel, with the participation of all relevant departments, and has entered into force following approval by the Board of Directors. It shall be duly communicated to all employees.

The Procedure is published in both Turkish and English on Uğuras' corporate website (www.uguras.com.tr) in a manner accessible to customers, employees, suppliers, business partners, and all other stakeholders.